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End Split on Contras, Administration Urged

Departing Official Cruz Says Bipartisan U.S. Policy, New Rebel Leadership Needed

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Divisions within the Reagan administration over how to handle the Nicaraguan contras must be overcome if the movement is to survive, according to departed contra leader Arturo Jose Cruz.

Cruz, 63, who resigned last week as one of three directors of the United Nicaraguan Opposition (UNO), also said "UNO is dead" as a result of internal power struggles. He said UNO must be revamped with new leaders in "a last-ditch effort" and U.S. policy must become bipartisan before the contras will make any progress toward overthrowing the leftist Sandinista government of Nicaragua.

He also said he will withdraw from politics "for a few months," and would return to Nicaragua to live if invited by the democratic opposition there.

In a 2½-hour conversation with a small group of reporters Friday, embargoed for publication until today, the soft-spoken banker and bureaucrat went further than he has previously in explaining his March 10 resignation. He has come under fire from conservatives for leaving just two days before the House was to vote on continuing contra aid. Conservatives also say he has sought to weaken the contras' military wing.

Cruz acknowledged that just as his decision to join the contras in 1985 helped win congressional approval for last year's aid package, his decision to leave has hurt chances for passage of President Reagan's new \$105 million contra aid request next fall.

But he said it is possible that the movement and the administration will do what is necessary by then to restore congressional confidence.

"My timing was perfect," he said. "They have two or three months to do what they have to do" before debate begins in Congress. Renewed aid should be approved only if reforms are achieved in three areas, he said.

First, U.S. "elements" that favor a free hand for the contras' military wing—by which Cruz meant the Central Intelligence Agency, according to his supporters—must bow to State Department officials

who agree with Cruz that the civilian political directors should have control.

"There was always this attitude—'Oh, let us not step on the toes of the [military] assets,' and that helped build a clique," Cruz said. "This division was what kept away the possibility of forming a united Nicaraguan opposition."

He said that the estimated 15,000 contra troops are "competent" and can do the job in the field without abusing civilians' human rights if they are properly led and motivated.

He revealed that the contras have a field prison where they are holding 40 to 50 members of their own ranks who have been found guilty of human rights violations, but he declined to say where it is.

Second, Cruz said, the rebels' leadership "absolutely must" include Alfredo Cesar, a leader of the Southern Opposition Bloc, and Brooklyn Rivera, head of the Misurasata wing of the Miskito Indians. He said representation in UNO's general assembly must be expanded beyond the current 14 Nicaraguan exile groups.

The army should be represented in the political debates, but leftist and even communist groups should not be excluded, Cruz said.

Cesar and Rivera have had volatile relations with Adolfo Calero, Cruz's main rival and civilian leader of the contras' military arm. Calero has said he will consider returning to the UNO directorate now that Cruz has left.

Third, all financial and material resources should be controlled by UNO's directors, Cruz said. He again denied that he or the third UNO director, businessman Alfonso Robelo, had any knowledge of the \$30 million the contras reportedly received from Saudi Arabian and other donors during the two years when official U.S. aid to them was banned.

Cruz praised Lt. Col. Oliver L. North, who was ousted from the National Security Council staff for his role in the Iran-contra affair, as having "total commitment" to the contras.

North secretly paid Cruz \$7,000 a month from January 1986 to last fall for "living expenses," Cruz said, and the disclosure hurt Cruz's credibility among some of his supporters in Congress. The payments were leaked to the news media a few days after Cruz forced Calero to resign as a UNO director last month by threatening to leave himself. Cruz said, however, that he received nothing from North "during the largest part" of his UNO involvement.

In an appearance yesterday on NBC-TV's "John McLaughlin: One on One," Cruz said of North: "Whatever he has done, he was trying to help democracy in my country."

Cruz was harsh in his criticism of the Sandinistas. Asked if Nicaragua is now a communist police state, he told McLaughlin, "No, but it is moving in that direction." If there are no internal changes, public resentment might grow to allow the contras to oust the Sandinistas in two years or so, he said.

On the other hand, Cruz said there is no anti-Semitism among the Sandinistas—"that is not part of our culture."

In his conversation with reporters, Cruz said both the Sandinistas and the contras had been guilty of some brutality against civilians, but the Sandinistas have manipulated battlefield reports to show more by the contras than actually occurred, he said.

"I do not doubt there are violations [of human rights] by both the Sandinistas and the rebels The United States should not ignore claims from Americas Watch and the others," he said.

Cruz said he would resume political involvement with Political Action, a small Nicaraguan exile group, within "a few months," but did not expect and would not accept an invitation from the Sandinista government to return to Nicaragua. An invitation from the domestic opposition in Nicaragua, however, would be "a different story," although he did not expect that either, he said.

Cruz said he plans to seek consulting work in Miami.